

HOURIGAN, KLUGER & SPOHRER
ASSOCIATES

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GEORGE A. SPOHRER
JOSEPH A. QUINN, JR.
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RICHARD M. GOLDBERG
ARTHUR L. PICCONE
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WILLIAM F. ANZALONE
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DAVID W. SABA
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BRION W. KELLEY
CHESTER F. DUDICK, JR.
MARY LOUISE FABER
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JOSEPH A. LACH
RONALD P. SWEEDA
RONALD V. SANTORA
GLENN G. YANIK
MAUREEN R. BROWN

LAW OFFICES
SUITE SEVEN HUNDRED
UNITED PENN BANK BUILDING
WILKES-BARRE, PENNA. 18701

(717) 825-9401

March 18, 1983

RECORDATION NO. 13991 REC-1 1425

MAR 25 1983 - 3 15 PM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Recordation Unit
Room 2303
12th and Constitution Ave., N. W.
Washington, D. C. 20423

Attention: Mildred Lee

Re: Security Agreement for
Recordation Under 49 USC
Section 11303

Dear Ms. Lee:

I enclose an original and two executed copies, which have been acknowledged, of a Security Agreement between Pocono Northeast Railway, Inc. as debtor, and United Penn Bank, as creditor, together with a check for \$50.00 to cover your recordation fee.

Please return conformed copies of the documents to me in the enclosed self addressed stamped envelope.

Very truly yours,

HOURIGAN, KLUGER & SPOHRER ASSOCIATES

Glenn G. Yanik
Glenn G. Yanik, Esquire

GGY/pm
Enclosures
cc: Patricia O'Brien

Certified Mail-Return Receipt Requested

RETIRED
ANDREW HOURIGAN, JR.

OF COUNSEL
JARRETT W. JENNINGS

SUITE 827
CONNELL BUILDING
SCRANTON, PA 18503
(717) 348-1030

FALVELLO LAW OFFICE BUILDING
CONYNGHAM-DRUMS ROAD
BOX A 103
R. D. 1. SUGARLOAF, PA 18249
(717) 788-4191

No. 3-084A039
MAR 25 1983
Date.....
Fee \$.....50.00
FEE OPERATION BR.
MAR 25 3 09 PM '83
I.C.C.
RECEIVED

3/25/83

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Gleen Yanik
United Penn Bank
8-18 West Market Street
Wilkes-Barre, PA. 18711

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **3/25/83** at **3:15pm**, and assigned recordation number(s). **13991**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

EQUIPMENT SECURITY AGREEMENTREGISTRATION NO. **13991** FILED 1425DATE: March 7, 1983 25 1983-8 13 PM

UNIFORM COMMERCIAL COMMISSION

Pocono Northeast Railway, Inc. 81 W. Union Street, Wilkes-Barre, Luzerne, Pennsylvania

(NAME OF DEBTOR)

(NO. & STREET)

(CITY)

(COUNTY)

STATE)

(herein called "Debtor"), hereby grants to:

UNITED PENN BANK

(herein called "Lender"), a security interest pursuant to the Uniform Commercial Code, in the following described property, together with all equipment, parts, accessions, attachments, additions and other goods, and all replacements thereto, and proceeds thereof. (herein collectively called the "Collateral")

MODEL NO. OR YEAR	MAKE OR MANUFACTURE	DESCRIPTION OF PROPERTY	SERIAL #	
			PNE	PLE
1966	Despatch Shops, Inc.	RBL Boxcar	6901	6900
		RBL Boxcar	6902	6911
		RBL Boxcar	6903	6914
		RBL Boxcar	6904	6915
		RBL Boxcar	6905	6961
		RBL Boxcar	6906	6972
		RBL Boxcar	6907	6980
		RBL Boxcar	6908	6987
		RBL Boxcar	6909	6995
1968	Greenville Steel Car Co.	Gondola	1801	18126
		Gondola	1802	18173
		Gondola	1803	18181
		Gondola	1804	18305
		Gondola	1805	18360

WHEREAS, Debtor, upon the execution and delivery of this Agreement and other required instruments will borrow \$ 89,600.00 from the Lender, said debt to be evidenced by the note of Debtor, of even date herewith, in the face amount of \$ 89,600.00, said note being payable and bearing interest as provided herein (herein called the "Note").

WITNESSETH, the security interest in the Collateral granted to the Lender by the Debtor shall secure the Debtor's obligation to pay: (a) the Note; (b) all costs and expenses, including attorney's fees, incurred by Lender in the collection and enforcement of the Note and other indebtedness of Debtor to Lender described herein, and the security therefor; (c) all expenditures of Lender for taxes, levies, insurance, repairs to and maintenance of the Collateral; (d) all other liabilities of Debtor to Lender, now existing or hereafter incurred, matured or unmatured, direct or contingent, and any renewals and extensions thereof and substitutions therefore; and (e) interest on all of the foregoing.

UNTIL DEFAULT hereunder, Debtor shall be entitled to the possession of the Collateral and use of same.

DEBTOR WARRANTS AND AGREES THAT:

- (a) & (b) ☐ (a) Debtor will immediately use the entire proceeds of said borrowing, together with applicable such additional funds of Debtor as may be necessary, to pay the purchase price only if checked. of the above specifically described property and for no other purpose.
- ☐ (b) Debtor hereby authorizes Lender to disburse the proceeds of said borrowing directly to the seller of the collateral and/or to the insurance agent or broker for insurance thereon.

DEBTOR FURTHER WARRANTS AND AGREES THAT:

The Collateral is to be bought or used by Debtor primarily: (Check (1), (2), or (3).)

- ☐ (1) in business, and that all the Debtor's places of business are in the same county as Debtor's place of business above set forth except _____.
- ☐ (2) for personal, family or household purposes.
- ☐ (3) in farming operations.

Debtor will promptly notify Bank, in writing, of any discontinuance of any place of business, the establishment of any new place of business, or any change of location of said property if block (1) is checked, and of any change in Debtor's residence or the location of said property if block (2) or (3) is checked.

If any of the property covered hereby is to be so affixed to real property as to become a part thereof, the real estate is the same as the Debtor's address above or the real property is known as _____.

Without the prior written consent of Lender, Debtor will not sell, exchange, assign, lease or otherwise dispose of the Collateral or any of Debtor's rights therein or under this Agreement, or permit any lien or Security Interest to attach to same except that created by this Agreement and other rights, if any, of Lender; or if the Collateral has become a fixture before Lender's security interest therein is perfected and the Collateral is or may become subject to the lien of a real estate mortgage, that Debtor will, on demand by Lender, furnish the latter with a writing by which the real estate mortgagee subordinates its rights and priorities to Lender's security interest hereunder; if the Collateral is or may become subject to the lien of a landlord, that Debtor will, on demand of Lender, furnish the latter with a landlord's waiver satisfactory to Lender, that the Collateral will be kept in as good condition and repair as it now is, reasonable wear and tear excepted, and that the expense of any repairs and maintenance will be borne solely by Debtor; that the Collateral will not be used or be permitted to be used illegally or for hire; to pay promptly all taxes and assessments on the Collateral, its use, and on this Agreement and the Note; to pay all costs of filing this Agreement and financing and other statements required to perfect and continue perfected, the Lender's security interest in the Collateral; not to abandon, conceal, injure or destroy the Collateral, nor deface any identifying marks thereon; not to sell, lease, assign or encumber the Collateral without Lender's prior written consent, nor grant any further security interest in the Collateral, nor permit Debtor's rights in it to be reached by judicial process; to keep the Collateral free of all liens and encumbrances, except for the Lender's security interest hereunder and the lien of taxes not delinquent; that no injury to or loss or destruction of the Collateral shall relieve Debtor of his obligation to pay the indebtedness secured hereby; if requested by Lender, Debtor will take out, pay for and keep in full force, insurance on the Collateral against such risks, in such amounts, with such insurance carrier, and with such loss payable clause as will be satisfactory to Lender, and furnish Lender with satisfactory evidence of such insurance; if Debtor fails to obtain insurance as above provided, or to observe or perform any of its other undertakings stated herein, Lender may procure the insurance and perform said undertakings, and the cost and expense to Lender in so doing will be added to the indebtedness secured hereby and will be payable by Debtor to Lender on demand; and that the proceeds of any such insurance (including return premiums) may, at Lender's option, be applied either to reduce the indebtedness secured hereby, or to repair or replace the Collateral, and Debtor hereby authorizes Lender, or its assigns, to endorse in the name of Debtor any check or draft issued by the carrier as insurance proceeds.

If the Collateral includes a motor vehicle or other property for which a Certificate of Title is issued, Debtor will join with Lender in taking all necessary measures to have a statement of the security interest created herein noted on said Certificate which shall be held by the Lender.

EVENTS OF DEFAULT. The occurrence of any of the following shall, at the option of Lender and without notice or demand on Debtor, constitute an event of default hereunder; failure of Debtor to pay promptly when due, any sums payable on the Note and any other indebtedness and obligations for the payment of money secured hereby; failure of Debtor to observe or perform any of Debtor's other obligations hereunder; any warranty of Debtor contained herein or other information furnished by Debtor to Lender, or its assigns, shall be false; death of any Debtor, or, if Debtor is a partnership, death of a partner; Lender in good faith believes that the prospect of payment by Debtor of the Note or any other indebtedness secured hereby or performance by Debtor hereunder is impaired; Debtor shall become insolvent or a bankruptcy proceeding is commenced by or against Debtor, or shall make an assignment for the benefit of creditors; there shall be instituted by or against the Debtor reorganization, arrangement, debt adjustment, full or partial liquidation or dissolution proceedings; or the Collateral shall be, or be threatened to be, subjected to condemnation or forfeiture proceedings.

RIGHTS AND REMEDIES. Upon the occurrence of an event of default, Lender shall have the following rights: to declare immediately due and payable any and all moneys due or to become due on the Note and any other indebtedness secured hereby and/or to reduce the same to judgment; and/or to exercise any one or more of the rights and remedies given a secured party under the Pennsylvania Uniform Commercial Code, including, but not by way of limitation, to require Debtor to assemble the Collateral and make it available to Lender at a place reasonably convenient to both parties hereto, to take immediate possession of the Collateral wherever found, with or without legal process, and thereafter to sell or otherwise dispose of the Collateral. If the Collateral includes accounts or account receivables upon the occurrence of an event of default the Lender may, at its option, with further notice to the Debtor, notify account debtors to make payment thereof directly to Lender. If the proceeds of any sale or other lawful disposition by Lender of the Collateral following its retaking, are insufficient to pay the expenses of retaking, holding, preparing the Collateral for sale, selling it and the like, and to satisfy the Note and all other indebtedness secured hereby, then Debtor agrees to pay any deficiency, but Debtor shall be entitled to any surplus if one results after lawful application of such proceeds. If the Collateral, or any item thereof, shall be disposed of at private sale under any agreement whereby all or part of the sale price is payable in installments, the cash selling price thereof (exclusive of finance charge, interest and any insurance premiums) shall be credited against Debtor's indebtedness secured hereby.

GENERAL. Waiver of any default shall not constitute waiver of any subsequent default. Lender's rights and remedies are cumulative and not alternative. Any provision hereof found to be invalid under the laws of Pennsylvania or any other State, shall be invalid only with respect to the offending provision. All words used herein shall be construed to be of such gender or number as the circumstances require. If this Agreement is executed by more than one Debtor, the obligations of all such Debtors shall be joint and several. This Agreement shall be binding upon the heirs, personal representatives, successors or assigns of the parties hereto, but shall inure to the benefit of successors or assigns of the Lender only. Pennsylvania law applies to this Agreement and its construction and interpretation.

The rights and privileges of Bank under this Agreement shall inure to the benefit of its successors and assigns. All representations, warranties and agreements of Debtor contained in this Agreement are joint and several if Debtor is more than one, and shall bind Debtor's personal representatives, heirs, successors and assigns.

WITNESS the due execution of this Agreement the day and year first above written.

UNITED PENN BANK, Lender

By: [Signature]
(Signature and Title) *Sr. Vice Pres.*

Pocono Northeast Railway, Inc. (SEAL)

By: [Signature]
(Signature and Title)

By: _____
(Signature and Title)

STATE OF Pennsylvania ,)
 ,) ss.:
COUNTY OF Luzerne ,)

On this 7th day of March 1983, before me personally
appeared G. David Crane , to me personally known,
who, being by me duly sworn, says that he is the President of
Pocono Northeast Railway, Inc. , that the seal affixed to the foregoing
instrument is the corporate seal of said corporation, that said instrument was
signed and sealed on behalf of said corporation by authority of its Board of
Directors and he acknowledged that the execution of the foregoing instrument
was the free act and deed of said corporation.

Kathleen Ann Maticic
Notary Public

My Commission expires:

KATHLEEN ANN MATICIC, NOTARY PUBLIC
WILKES-BARRE, LUZERNE COUNTY
MY COMMISSION EXPIRES FEB. 14, 1987
Member, Pennsylvania Association of Notaries